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**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON**

**FEDERAL TRADE COMMISSION,**

Civ. No. CV07-0533 BR

Plaintiff,

v.

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AS TO AARON  
LEE RIAN**

**MERCHANT PROCESSING, INC.;  
VEQUITY FINANCIAL GROUP, INC.;  
DIRECT MERCHANT PROCESSING,  
INC.; PPI SERVICES INC.; AARON  
LEE RIAN; and KARELY MCCARTHY,  
A.K.A. KARLY SPEELMAN,**

Defendants.

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This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission ("Plaintiff" or "FTC" or "Commission") and Defendant Aaron Lee Rian ("Defendant" or



C. The activities of Defendant are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

D. The First Amended Complaint ("Complaint") states a claim upon which relief may be granted against Defendant under §§ 5(a)(1), and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a)(1) and 53(b).

E. The Commission and Defendant stipulate and agree to this Final Order to settle

[REDACTED]

## DEFINITIONS

For the purpose of this Final Order, the following definitions shall apply:

1. **“Acquiring bank”** means a bank that provides businesses with merchant accounts where the proceeds of the businesses’ credit and debit card sales are deposited.
2. **“Assets”** means any legal or equitable interest in, right to, or claim to, any real or

personal property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes,



Merchant Processing, Inc.; PPI Services Inc., d.b.a. Direct Processing, Inc., and Merchant

~~Services, Inc. Acquiring Bank, PPI Services, Inc., d.b.a. Direct Processing, Inc., and Merchant~~

by whatever names each might be known.

9. **“Merchant”** means a person, corporation, or any other entity that acts as a consumer by purchasing, leasing, or renting card processing goods or services.

10. **“Merchant Account”** means a bank account opened at an Acquiring Bank in the name

~~of the Merchant for deposits of the proceeds of the Merchant's credit card sales.~~

**CONDUCT PROHIBITIONS**

**I.**

**Ban on Certain Activities**

**IT IS THEREFORE ORDERED** that the Defendant, whether acting directly or through any person, trust, corporation, limited liability company, subsidiary, division, or other device, is hereby permanently restrained and enjoined from engaging, participating, or assisting others in the advertising, promoting, marketing, offering for sale, selling, offering for lease, or being the

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the product or service;

3. any material fact relating to fees or rates charged for the product or service;
4. any other material fact regarding the product or service;

[REDACTED]

[REDACTED]

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telephone number, Social Security number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to Defendants or any one of them at any time prior to entry of this Final Order for card processing goods or services. *Provided that*, Defendant may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

**IV.**  
**Redress and Other Equitable Relief**

**IT IS FURTHER ORDERED** that

Defendants named in this action, in the amount of \$26,480,041 (twenty-six million, four hundred

Portfolios, and in all accounts, property, and assets held in the name of the Receivership Defendants.

3. Pursuant to the terms and conditions agreed to by the parties, Defendant hereby agrees to release to the Receiver for ultimate sale any interest he has in real property located at 17481 SW Hoodoo Court, Beaverton, OR 97007-7702; 184 N. Pacific St., Rockaway Beach, OR 97136 (“Oregon properties”); and 40332 SCR 4545, Keota, Oklahoma (“Oklahoma property”). This release, if it has not already occurred, shall be made within ten (10) days of entry of this Final Order.

4. Proceeds from the sale of the Receivership Defendants and the balances held in

completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the practices alleged in the Complaint. Any funds up to the amount specified in Subparagraph IV.A not used for such equitable relief shall be deposited in the United States Treasury as disgorgement. Defendant shall have no right to challenge the

Commission's choice of remedies under this Paragraph. No portion of any amount...

assets assigned under the judgment herein shall be deemed a payment of any fine, penalty, or punitive assessment.

6. If, after all funds are paid and released pursuant to Subparagraph IV.B, the total funds paid to the Commission pursuant to Subparagraph IV.B are insufficient to satisfy the judgment set forth in Subparagraph IV.A, the remainder of the monetary judgment shall be deemed suspended subject to the terms set forth in Paragraph V (Termination of Suspension). If the judgment has been satisfied in full pursuant to payments and releases

under Subparagraph IV.D and the Defendant's Compliance...



VI.  
Compliance Monitoring

**IT IS FURTHER ORDERED** that for the purpose of monitoring and investigating

compliance with any provision of this Final Order,

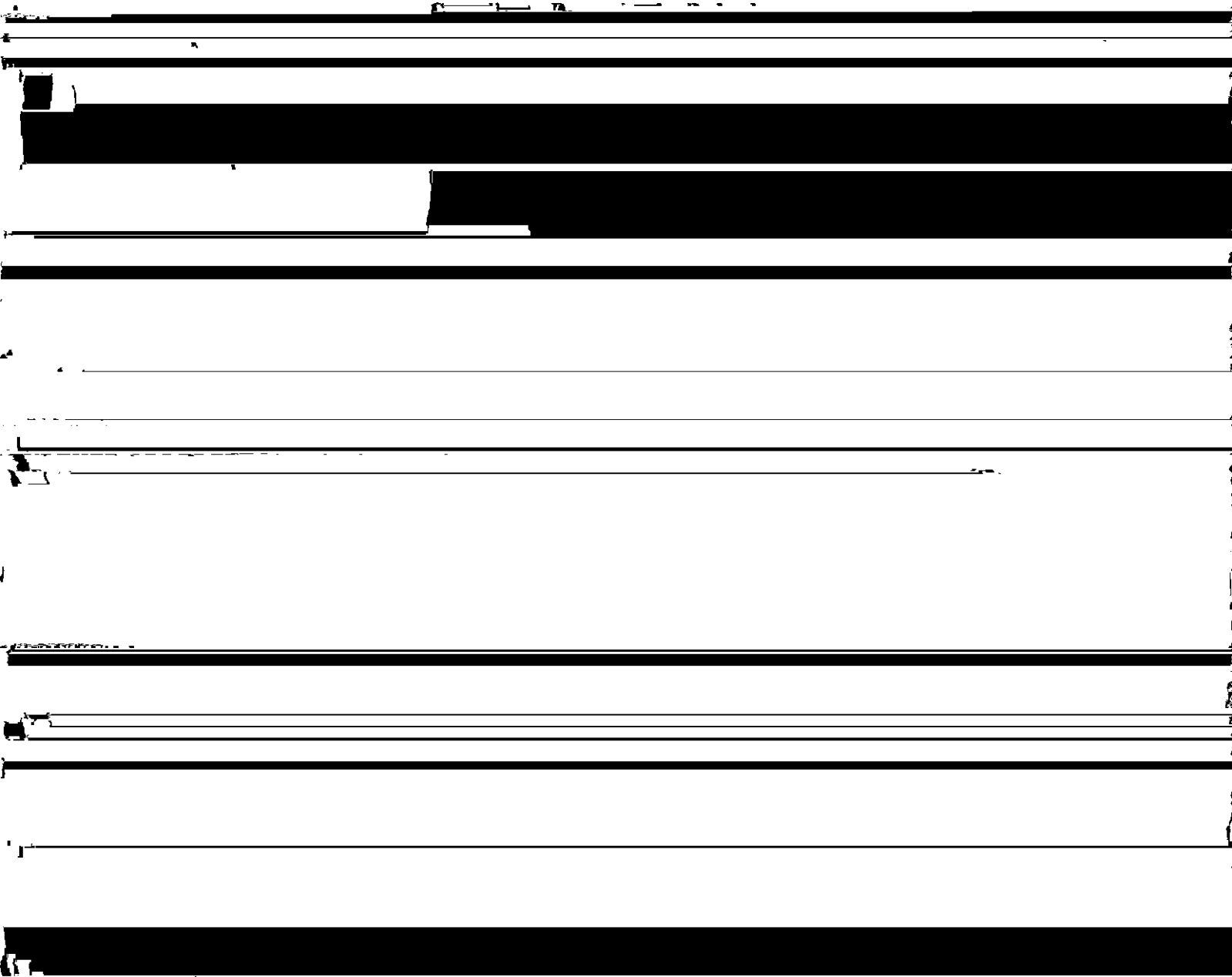
A. Within ten (10) days of receipt of written notice from a representative of the Commission, the Defendant shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry to any Commission representative during normal business hours to any business location in the Defendant's possession or direct or indirect control for the purpose of inspecting the business location; *provided that* the Defendant, after attempting to resolve a dispute without court action

and for good cause shown, may file a motion with this Court seeking an order including one or

~~more of the provisions of Fed. R. E.D. Civ. R. 26(c)~~

*Provided, however,* that nothing in this Final Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

VII.



dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Final Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to

by the Commission's authorized representatives, mail all written notifications to the Commission  
to:

[REDACTED]

Federal Trade Commission  
601 New Jersey Ave., N.W.  
Washington, DC 20001

*Re: FTC v. Merchant Processing, Inc., et al., CV07-0533 BR;*

D. For purposes of the compliance reporting and monitoring required by this Final Order, the Commission is authorized to communicate directly with Defendant.

**VIII.**  
**Record Keeping**

**IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry of this Final Order, the Defendant, in connection with any business where (1) he is the majority owner, or directly or indirectly manages or controls the business, and (2) the business is engaged in conduct related to the subject matter of this Final Order, is hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number

[REDACTED]



D. Complaints and refund requests (whether received directly, indirectly, or through

~~any other means, and any responses to those~~

E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and

F. All records and documents necessary to demonstrate full compliance with each provision of this Final Order including, but not limited to, copies of acknowledgments of receipt of this Final Order required by Paragraph IX of this Final Order, and all reports submitted to the

FTC pursuant to Paragraph VII of this Final Order.

**IX.**  
**Distribution of Order by Defendant**

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry

X.


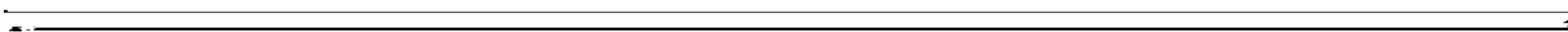
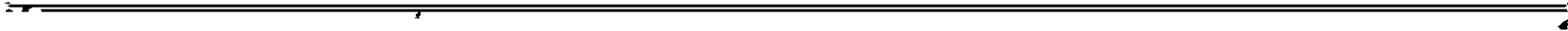


**Acknowledgment of Receipt of Order by Defendant**

**IT IS FURTHER ORDERED** that the Defendant, within five (5) business days of receipt of this Final Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Final Order.

XI.

**Cooperation with FTC Counsel**

**IT IS FURTHER ORDERED** that Defendant shall, in connection with this action or any subsequent investigations related to or associated with the transactions or the occurrences that are the subject of the FTC's Complaint, cooperate in good faith with the FTC and appear, or cause his officers, employees, representatives, or agents to appear, at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and such other matters as may be reasonably required by the FTC. If requested in writing by the FTC, Defendant shall appear, or cause his officers, employees, representatives, or agents to appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the Complaint without the service of a subpoena



XII.

**Retention of Jurisdiction**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Final Order.

SO ORDERED, this 2nd day of May, 2008.

So Stipulated:

*Mary T. Benfield*

Mary T. Benfield  
WSBA No. 18835

David M. Horn  
WSBA No. 13514

Federal Trade Commission  
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Portland, ME 04101

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Attorney for Plaintiff